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**FINAL NOTICE**

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**To: Ian Stuart James**

**Reference: ISJ01016**

**Date of birth: 21 April 1966**

**Date: 11 August 2008**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London, E14 5HS (the “FSA”) gives you final notice about an order prohibiting you, Ian Stuart James, from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm**

**1. THE ORDER**

1.1. The FSA gave you a Decision Notice dated 9 July 2008 (“the Decision Notice”) which notified you that the FSA had decided:

- (1) to withdraw the approval given to you under section 59 of the Financial Services and Markets Act 2000 (“the Act”) in relation to Orchard House Mortgages Limited and;
- (2) to make an order prohibiting you from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm (the “Prohibition Order”).

- 1.2. You have not referred the matter to the Financial Services and Markets Tribunal within 28 days of the date on which the Decision Notice was given to you.
- 1.3. Accordingly, for the reasons set out below, the FSA hereby withdraws the approval given to you under section 59 of the Act and makes an order under section 56 of the Act prohibiting you from performing any function in relation to any regulated activity carried out by an authorised person, exempt person or exempt professional firm. The Prohibition Order takes effect from 11 August 2008.

## **2. REASON FOR THE ORDER**

- 2.1. On the basis of the facts and matters set out in the Warning Notice issued to you on 10 April 2008 (“the Warning Notice”), and in the Decision Notice, the FSA concluded that you are not a fit and proper person in terms of honesty and integrity and that the Prohibition Order should be made against you in support of the FSA’s financial crime and consumer protection objectives.
- 2.2. Specifically, in July 2007 you applied for a personal loan which was supported by a falsified payslip and a false declaration to the bank about your income.
- 2.3. A copy of the relevant extract of the Warning Notice is attached to and forms part of this Notice.

## **3. DECISION MAKER**

- 3.1. The decision which gives rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee.

## **4. IMPORTANT**

- 4.1. This Final Notice is given to you in accordance with section 390(1) of the Act.

### **Publicity**

- 4.2. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA must publish such information about the matter to which this Notice relates as it considers appropriate. However, the FSA may not publish information if such

publication would, in the opinion of the FSA, be unfair to you or prejudicial to the interests of consumers.

- 4.3. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

#### **FSA contacts**

- 4.4. For more information concerning this matter generally, you should contact Chris Walmsley (direct line: 020 7066 5894 / fax:020 7066 5895) of the Enforcement Division of the FSA.

Jonathan Phelan  
Head of Department  
FSA Enforcement Division

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### **EXTRACT FROM WARNING NOTICE DATED 10 APRIL 2008**

#### **2. REASONS FOR THE PROPOSED ACTION**

- 2.1 On the basis of the facts and matters summarised below and set out in more detail in section 4 of this Notice, it appears to the FSA that you are not a fit and proper person in terms of honesty and integrity and that the Prohibition Order should be made against you in support of the FSA's financial crime and consumer protection objectives.
- 2.2 In summary, in July 2007 you applied for a personal loan which was supported by a falsified payslip and a false declaration to the bank about your income (and/or you filed a falsified tax return for the year in question).

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#### **5. FACTS AND MATTERS RELIED ON**

##### **Background**

- 5.1. You are the sole director and shareholder of Orchard House Mortgages Limited ("Orchard House"), a mortgage broker operating in the Doncaster area. You are also the only approved person at the company. With effect from 16 February 2007, you were approved to perform the controlled function of CF1 (Director) and CF8

(Apportionment and Oversight). Your wife, Mrs Nicola Jane James, is an employee of Orchard House.

- 5.2. You are also the only director and shareholder of a company called Orchard Properties (Doncaster) Limited ("Orchard Properties"), a firm based in Mexborough, South Yorkshire. Your wife is company secretary of Orchard Properties.

### **Personal loan application**

- 4.3 In July 2007, you submitted an application for a personal loan of £9,312.87 jointly with Mrs James to Bank A. The application was supported by two payslips.
- 4.4 On the loan application form, both you and Mrs James stated that you were employed by Orchard Properties. You declared your income to be £80,000. Mrs James declared her income to be £30,000. The loan application was supported by two payslips purportedly issued by Orchard Properties in support of your declarations to Bank A about your employment and income.
- 4.5 Her Majesty's Revenue and Customs ("HMRC") records show that neither you nor Mrs James received any income from Orchard Properties. According to HMRC, for the tax year ending 5 April 2007, you earned £33,573.92 (from other sources) and Mrs James earned £216.30 (also from other sources) during the same period. HMRC's records show both you and Mrs James as being employed by a company other than Orchard House and Orchard Properties.
- 5.3. The significant discrepancy between the income and employment information you declared on your loan application form and the information held by HMRC indicates that you submitted the loan application based on information that you knew to be false and that you used what you knew to be a falsified payslip (and/or you falsified your tax return for the year in question).

## **6. CONCLUSIONS**

- 6.1. You knowingly submitted a personal loan application to a bank which was supported by falsified payslips for you and your wife and based on false declarations about your employment and levels of income (and/or you filed a falsified tax return for the year in question).
- 6.2. In light of your conduct it appears to the FSA that you lack honesty and integrity and that this is a serious case of lack of fitness and propriety such that the Prohibition Order is necessary and proportionate and that other powers available are not sufficient to meet the FSA's regulatory objectives. Taking this action against you is consistent with the FSA's policy of seeking to prevent individuals lacking honesty and integrity from working in authorised firms in order to secure an appropriate degree of protection for consumers.